

Goal 5: Improve program effectiveness through sound management

- Institutionalize the LM high performing organization (HPO) model.
- Ensure integration of all planning, budgeting, and evaluation processes.
- Implement performance-based acquisition strategies to achieve mission goals.



LM was established in December 2003 by combining parts of EM (the Office of Long-Term Stewardship, the Grand Junction Office, and the EM staff at the National Energy Technology Laboratory) with the WT. These organizations had different missions and cultures and Federal staff located in six different geographic locations. Analysis of the initial Federal staff identified major skill- and grade-mix issues for the mission assigned.

In 2005, to allow the new organization time to resolve the Federal staffing issues and prepare for a planned scope increase, DOE exempted LM from a review under Office of Management and Budget (OMB) *Circular A-76, Performance of Commercial Activities*. This exemption was

granted under the condition that LM pursue designation as an HPO as part of its human capital management strategy. LM pursued a variety of initiatives to obtain HPO status over the next two years, and was rewarded with the designation in February 2007.

Between 2005 and 2007, LM reduced Federal staffing 28 percent, from 81 to 58, while simultaneously preparing for a significant increase in scope. Staff reductions, coupled with commitments to meet performance measures associated with program scope and the *President's Management Agenda*, were sufficient for OMB to designate LM as the second HPO in the Federal Government. LM has maintained that designation since February 2007 by meeting all the performance objectives in the LM letter of obligation. LM is on target to continue to meet the objectives through the first five-year period, which would be completed in February 2012.

FY 2004

- Established the LM organization with 81 Federal staff located in: Washington D.C.; Germantown, Maryland; Morgantown, West Virginia; Pittsburgh, Pennsylvania; Pinellas, Florida; and, Grand Junction, Colorado.
- Addressed skill gaps by hiring employees with expertise in real property, records management, and actuarial analysis for contractor benefits. As part of this effort, LM opened offices for Federal staff in Las Vegas, Nevada, and Denver, Colorado.



As a cost-savings measure, the analytical laboratory in Grand Junction, Colorado, was closed in FY 2004 and demolished in February 2006.

FY 2005

- Received permission from the Office of Personnel Management to grant early retirement authority and incentives. LM exercised this authority in FY 2005 and FY 2006, resulting in a reduction of 12 employees.
- Accelerated cleanup work at the Pinellas site and closed the Federal office there.
- Initiated the formal process for becoming an HPO.
- Received the Environmental Justice program and the Dr. Samuel P. Massie Chairs of Excellence from EM as part of its restructuring efforts.

FY 2006

- Completed a set of nine directed reassignments to place employees closer to their customers and the work that they were performing. Reassignments improved effectiveness and reduced Federal travel costs.
- Opened offices near the Fernald and Mound sites in southwest Ohio and expanded Federal staffing at the Rocky Flats, Colorado, site. Federal staff led the transition of those sites and ultimately served as site managers following transfer from the EM program.
- Completed reorganization of Federal staff. The reorganization formed four program teams (Archives and Information Management; Benefits Continuity; Environment; and Property Reuse) and two service teams (Human Resources and Administration and Planning, Budget, and Acquisition) focused on LM's programmatic goals. Reorganization cut the supervisor to employee ratio in half.
- Closed the Germantown office and reallocated remaining staff and work assignments to Washington, D.C., and Morgantown.

FY 2007

- Completed the effort to downsize to 58 Federal staff and received designation from OMB as the second HPO in the Federal Government.
- Transferred the Radiological Assistance Program activities to EM, the Dr. Samuel P. Massie Chairs of Excellence to NNSA, and strategic materials activities to DOE's Office of Management in an effort to focus on LM's core mission.
- Completed first evaluation under OMB's Program Assessment Rating Tool and received a score of "moderately effective."

FY 2008

- Completed the first full year as an HPO and met all requirements in the letter of obligation.
- Completed the acquisition of a new performance-based contractor to support Goals 1, 2, and 4.
- Closed the office in Pittsburgh and moved remaining staff and work assignments to Morgantown.
- Received a rating of "green" (the highest achievable grade) on all six *Presidential Management Agenda* initiatives.

Office of Legacy Management Reorganization

In January 2005, LM initiated an internal assessment focused on improving the way it conducts business and ultimately achieving certification as an HPO. That self-assessment included reviewing the LM mission, functions, stakeholders, and business lines. The end product of the self-assessment was a set of actions that were necessary to provide better value for the Federal tax dollar.

Those actions include 1) creating an organizational structure that emphasizes results and is based on a set of goal-oriented teams, 2) improving the LM supervisor-to-employee ratio to empower employees and reduce layers of management, 3) reassigning staff to geographic locations that enable them to provide better customer service and manage LM's responsibilities, and 4) narrowing the focus to LM's core mission by transferring non-core functions to other organizations.